

CONTRACT

This contract entered into this ____ day of _____ 2020 effective Upon execution of Contract to Completion of Single Tax Office Independent Audits for years ending December 31, 2019 and December 31, 2020 by and between the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 and Scranton School District, 425 North Washington Avenue, Scranton, PA 18503 and

ROBERT ROSSI & CO.
229 MAIN STREET, 2ND FLOOR
OLYPHANT, PA. 18447-2326
PHONE NO. (570) 876-2300

hereinafter called "Contractor".

WITNESSETH:

WHEREAS, Scranton desires the Contractor to perform certain work and services in accordance with the terms and conditions hereinafter set forth and the Contractor is ready, willing and able to perform such work and services.

NOW THEREFORE, in consideration of the promises contained herein and the promises each to the other made, the parties do agree and intend to be legally bound as follows:

ARTICLE I - CATEGORY OF WORK AND SERVICES

The work and services to be performed by Contractor shall be in the general fields of providing Scranton Single Tax Office Independent Audit for the years ending December 31, 2019 and December 31, 2020. The Contractor hereby covenants, contracts, and agrees to furnish the City of Scranton and the Scranton School District with:

SCRANTON SINGLE TAX OFFICE INDEPENDENT AUDIT
FOR THE FISCAL YEARS ENDING DECEMBER 31, 2019 AND
DECEMBER 31, 2020 FOR THE TOTAL SUM OF \$23,000.00
COST TO BE SHARED BETWEEN THE CITY OF SCRANTON
AND SCRANTON SCHOOL DISTRICT PAYING \$11,500.00
(\$5,750.00 EACH PER YEAR)

Said services to be furnished and delivered in strict and entire conformity with Scranton's Specifications marked as Exhibit "A" attached hereto and incorporated herein by reference thereto and the Bid Proposal submitted by Robert Rossi & Co. dated November 6, 2020 attached hereto marked as Exhibit "B" and incorporated herein by reference thereto. Said Bid Proposal and Specifications are hereby made part of this Agreement as fully and with the same effect as if set forth at length herein.

ARTICLE II - GENERAL

(1) In the performance of the work and services hereunder, the Contractor shall act solely as an independent contractor, and nothing contained or implied shall at any time be so construed as to create the relationship of employer and employee, partnership, principal/agent, or

adventurer as between Scranton and the Contractor
 (2) Failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights, or of any other rights hereunder.

ARTICLE III - FEES

Said services to be furnished and delivered in strict and entire conformity with the Bid Proposal and Specifications attached hereto. Said Bid Proposal and Specifications are incorporated herein by reference as though set forth at length.

The total sum for the contract is \$23,000.00, the cost to be shared between the City of Scranton and Scranton School District \$11,500.00 (\$5,750.00 each per year) to the Contractor for furnishing the above services if said services are provided in full compliance with the terms and conditions of this Contract to the satisfaction and approval of the Business Administrator. Such approval shall not be unreasonably withheld. The terms and conditions of this contract are set forth herein and may be supplemented by any attachments or exhibits incorporated herein by reference.

ARTICLE IV - INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless Scranton from and against any and all claims and actions, based upon or arising out of damage to property or injuries to person or other acts caused or contributed to by Contractor or anyone acting under the Contractor's direction or control or on the Contractor's behalf in the course of the Contractor's performance under this contract.

ARTICLE V - INSURANCE

(1) Contractor represents that it now carries, and agrees it will continue during the term of this Contract to carry, at a minimum: Workers' Compensation, Comprehensive General and Contractual Liability, and Professional Liability Insurance in the following amounts:

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Employer's Liability	\$ 500,000.00
Professional Liability	\$1,000,000.00 each occurrence \$1,000,000.00 aggregate
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	
Bodily Injury	\$ 1,000,000 each person \$ 1,000,000 each occurrence \$ 1,000,000 aggregate
Property Damage	\$ 500,000 each occurrence
Personal Injury	\$ 500,000
Comprehensive Automobile Liability:	
Bodily Injury	\$ 300,000 each person \$ 500,000 each occurrence
Property Damage	\$ 500,000 each occurrence

(2) Certificates of all insurance provided by the Contractor shall be available for Scranton's review and will be furnished to Scranton if requested. Such copies of

certificates shall include the following:

- (a) Name of insurance company, policy number, and expiration data;
- (b) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions (which shall be for the account of the Contractor);
- (c) A statement indicating Scranton shall receive thirty (30) days notice of cancellation or significant modification of any of the policies which may affect Scranton's interest;
- (d) A statement confirming Scranton has been named an additional insured (except for Worker's Compensation) on all policies; and
- (e) A statement confirming that Scranton, its agents and employees, have been provided a waiver of any rights or subrogation, which the Contractor may have against them.

ARTICLE VI: TERMINATION OF CONTRACT

If through any cause the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or in the event of violation of any of the covenants contained herein, or in the event of violation of the laws applicable to implementation of the project contemplated by this Agreement, or in the event of misuse of funds, mismanagement, criminal activity or malfeasance in the implementation of this Agreement, Scranton shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR specifying the effective date of termination. Said notice shall be given in writing to the CONTRACTOR and will be effective upon receipt by the CONTRACTOR. In such an event, all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this Agreement shall be returned to the Scranton.

ARTICLE VII: DEFAULT

In the event of a default by Contractor under this Agreement, the defaulting party then shall reimburse the non defaulting party for all costs and expenses incurred by the non defaulting party in connection with the default, including without limitation, court costs and attorneys fees at the trial level and on appeal.

ARTICLE VIII: JURISDICTION

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and all obligations hereunder are to be performed in Lackawanna County, Pennsylvania. Jurisdiction over the subject matter and performance of this Agreement is therefore vested in the Lackawanna County Court of Common Pleas.

ARTICLE IX - ENTIRE AGREEMENT

This contract constitutes the entire agreement between Scranton and Contractor. It supersedes all prior contemporaneous communications, representations, or agreements, whether oral or written, with respect to the subject matter thereof and if it has been induced by no representations, statements, or agreements other than those expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound thereby.

IT IS FURTHER UNDERSTOOD AND AGREED that this contract is entered into under and subject to the provisions of the Act of Assembly of the Commonwealth of Pennsylvania, approved March 7, 1901, its supplements and amendments, and the liability of the City of Scranton herein limited to the amount appropriated for the same and subject to the Section 6-13 of the Administrative Code of the City of Scranton which limits payments of money out of the City Treasury to appropriations made by the Council.

IN WITNESS WHEREOF the parties hereto have, in due form of law, caused this agreement to be executed the day and year first above written.

ATTEST:

L. Reed
CITY CLERK

BY: *Paige G. Corbett*
MAYOR

DATE: 3.17.2021

DATE: 3/16/2021

John Murray
CITY CONTROLLER

[Signature]
BUSINESS ADMINISTRATOR

DATE: 3.17.2021

DATE: 3/17/2021

[Signature]
SCRANTON SCHOOL DISTRICT

DATE: 3/24/2021

APPROVED AS TO FORM:

[Signature]
CITY SOLICITOR

DATE: 15/11/21

ROBERT ROSSI & CO.

Sean Rossi PA
BY:

TITLE: PARTNER

DATE: 4/8/2021



OFFICE OF THE CITY CONTROLLER

John J. Murray

City Hall | 340 North Washington Avenue | Scranton, PA 18503 | 570.348.4125

December 4, 2020

Atty. Joseph O'Brien
City Solicitor
City Hall
340 N. Washington Avenue
4th Floor
Scranton, PA 18503

Dear Attorney O'Brien,

We are awarding the Scranton Single Tax Office Audit for the years ending 2019 and 2020 to the accounting firm of Robert J. Rossi & Company, 299 Main Street – 2nd Floor, Olyphant, PA 18477-2326.

As you may be aware the cost of the service is shared with the Scranton School District so the bids were reviewed by me and School District Business Administrator Patrick Laffey. The total cost of this service for the two year audit, to be divided by both entities, is \$23,000. Should you want to review the bids copies were passed on to your office previously.

Please draw up the necessary paperwork so that we may contact the vendor and get the process started.

Thank you,

John J. Murray
City Controller

cc: Paige Cagnetti - Mayor
William Fox – Tax Collector
Carl Deeley – Business Administrator
Julie Reed – Purchasing Department
Patrick Laffey – Scranton School District

Department of Business Administration

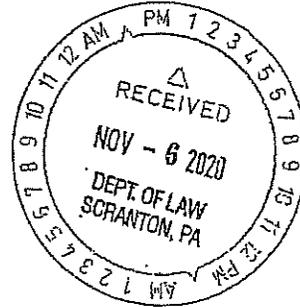
City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON

November 6, 2020

Mr. John Murray
City Controller
Municipal Building
340 North Washington Avenue
Scranton, Penna. 18503



Dear Mr. Murray,

This is to inform you that bids were opened today Friday, November 6, 2020 in City Council Chambers for the **SCRANTON SINGLE TAX OFFICE INDEPENDENT POST AUDIT FOR THE FISCAL YEARS ENDING 12-31-19 & 12-31-2020**. The following submitted bid packages:

Joseph Alu & Associates, P.C.
Robert Rossi
SB & Company, LLC

After your review of this bid, please inform the Law Office of your decision so they may call for a contract or reject said bids.

Thank you for your cooperation in this matter.

Sincerely,

Julie Reed,
Purchasing Clerk

CC: Mrs. Lori Reed, City Clerk
✓ Atty. Joseph O'Brien Esq., City Solicitor
File

CITY OF SCRANTON

INVITATION TO BID

Separate sealed bids will be received by the Office of the City Controller for the City of Scranton, 340 North Washington Avenue, Scranton, Pa. 18503 until Friday, November 6, 2020 at 10:00 a.m. at which time they will be read aloud in City Hall Chambers by the Business Administrator (Or his Designee) located on the 2nd floor in City Hall and will be made available for public viewing at www.youtube.com/user/electriccitytv570 for the following:

Scranton Single Tax Office Independent Post Audit for the Fiscal Years
12/31/2019 & 12/31/2020

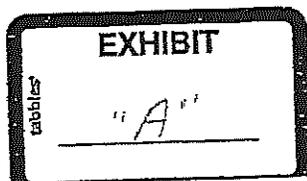
All bids shall be in accordance with the specifications which may be obtained from the City of Scranton Purchasing Department, 340 North Washington Avenue, Scranton, Pa. 18503 and which may be had by bona fide bidders. Copies can be obtained on the City of Scranton website at: www.scrantonpa.gov. If you intend to submit a bid, you are required to notify Julie Reed, Purchasing Clerk for the City of Scranton via email at: jreed@scrantonpa.gov. If you fail to notify the Purchasing Clerk of your intent to submit a bid, you will not receive any Addenda or answers to any questions that may be submitted by other bidders.

All bids must be accompanied by a signed Affirmative Action Certification, a signed Certificate of Non-Segregated Facilities, and a signed Non-Collusion Affidavit of Prime Bidder.

Each bidder shall enclose a cashier's check, certified check, or bid bond in the amount of \$500.00, as a guarantee to keep its offer open until the City accepts or rejects same and as to the successful bidder until the required surety bond is furnished. Proposals must be typewritten or written legibly in black ink. A cashier's check and/or an official bank check are acceptable. The successful bidder, within ten (10) days of the notification of the award shall be required to furnish a surety bond in the amount of \$1000.00 as a guarantee to furnish services as specified. The contract shall be awarded to the lowest, most responsible bidder; however, the City of Scranton reserves the right to reject any or all bids of any bids submitted.

Envelopes containing bids must be plainly marked outside specifying material contained in bid and mailed to John Murray, Office of the City Controller, 340 North Washington Avenue, Scranton, Pa., 18503 so as to arrive at the office by the date and time first specified above. Envelopes containing bids can also be hand delivered to the Office of the Treasurer located on the first floor of City Hall.

The City of Scranton is committed to maintaining the health and safety of all employees and visitors. Therefore, attendance at the bid opening is not a requirement. If you choose to attend the bid opening, masks are required upon entrance into the building. We will allow each bidder to have one representative present at the bid opening.



John Murray
City Controller

TO WHOM IT MAY CONCERN:

You are invited to submit a proposal for "AN INDEPENDENT POST AUDIT" of all Single Tax Office activities, including collection of all applicable revenue and expenditures in accordance with the enclosed Request for Proposal.

All proposals must be submitted in five (5) copies to the City of Scranton, Office of the City Controller, 2nd floor, 340 North Washington Avenue, Scranton, Pennsylvania 18503. All proposals must be submitted in a sealed envelope and clearly marked "INDEPENDENT POST AUDIT-SINGLE TAX OFFICE".

All proposals must be received by the City Controller no later than 10:00 A.M. (prevailing time) on November 6, 2020. Late proposals will not be considered regardless of the reason.

Polices

- All submittals shall become the property of the City of Scranton and will not be returned.
- Deadline extensions will not be granted.
- Late submittals shall not be evaluated.
- The City of Scranton reserves the right to reject any or all submittals on the basis of being unresponsive to the guidelines or for failure to disclose requested information.
- The City of Scranton shall not be held liable for any costs incurred by Respondents in the preparation of submittals nor in costs related to any element of the selection and contract negotiation process.
- To the extent allowed by law, responses will be held in confidence by the City of Scranton
- The proposal shall be binding for a period of ninety (90) days.
- Proposals not properly addressed shall not be accepted.
- The City of Scranton assumes no responsibility for improperly delivered proposals, carrier delays, or interruptions in the delivery service causing the proposal to be submitted following the deadline.
- Any proposal may be withdrawn or modified by written request of the Prosper, provided such request is received by the Business Office at the above address prior to the date and time of the request of proposals. The request must be made formally in writing or electronically by mail.

No, oral, telephone, emailed, or faxed responses shall be considered. Any responses received after the above schedules due date and time shall not be accepted or considered.

Very truly yours,

John J. Murray
City Controller

INVITATION FOR REQUEST FOR PROPOSAL

SCRANTON SINGLE TAX OFFICE

Prospective respondents are invited to submit a proposal for an "Independent Post Audit" of all Scranton Single Tax Office revenues and accounts in accordance with the Request for Proposal.

All proposals must be submitted as instructed in five (5) copies to the Office of the City Controller, 2nd Floor, City Hall, 340 North Washington Avenue, Scranton, Pennsylvania, 18503. All proposals must be delivered in a sealed envelope and clearly marked. Late proposals will not be considered regardless of the reason.

CONTRACT PERIOD: The Request for Proposal incorporates audits for the fiscal years ending December 31, 2019 and December 31, 2020.

GENERAL INFORMATION FOR OFFERORS

Purpose: The Request for Proposal (RFP) provides interested prospective proposers with sufficient information to enable them to prepare and submit fixed cost proposals for consideration by the Office of the City Controller on behalf of the City of Scranton and Scranton School District to select an auditing firm to provide an independent post audit for the Scranton Single Tax Office.

- A. No verbal information to bidders will be binding on the City and School District. The written requirements will be considered clear and complete, unless written attention is called to any apparent discrepancies or incompleteness before the opening of the proposals. All alterations to the Request for Proposal will be made in the form of a written communication emailed to all prospective proposers. The communications shall then be considered to be part of the Request for Proposal.
- B. Submission of a proposal will be considered as conclusive evidence of the proposer's complete examination and understanding of the request.
- C. The City of Scranton reserves the right to reject any and all proposals submitted and to request additional information from any Proposer. The City of Scranton reserves the right to waive minor irregularities in the procedures or proposals if it is deemed in the best interest of the City of Scranton. The City may elect, at its sole and absolute discretion, to award a Contract based on the initial proposals, or, to open negotiations, either written or oral, with one or more proposers to address performance, technical, pricing, delivery, or other provisions. If negotiations are opened, the City may elect, at its sole and absolute discretion, to conclude negotiations at any time if it is determined to be in its best interest, or they will be closed upon settlement of all questions and clarifications. Proposals may be rejected and negotiations terminated by the City. The award will be based on the offers submitted, as well as any and all negotiations conducted. The City further reserves the right to reject all proposals and seek new proposals when such procedure is considered to be in the best interest of the City.

- D. The award will be made to that responsive and responsible proposer whose proposal, conforming to requirements of the request, will be most advantageous to the City, price and other factors considered. The award may or may not be made to the firm with the lowest cost.
- E. The City shall have the right, without invalidating the contract, to make additions to or deductions from the items or work covered by the Request for Proposal. In case such deductions or additions are made, an equitable price adjustment shall be made between the City and the Proposer. Any such adjustments in price shall be made in writing.
- F. After notice from the City, the selected proposer will be required to enter into a contract upon receipt of a Notice of Award. If a contract is not executed by the selected proposer, then the City reserves the right to retract the Notice of Award and enter into a contract with another proposer.
- G. Proposals must be in typewritten form. Unsigned proposals will not be accepted. Proposers are expected to examine the content of the request and respond accordingly. Failure to do so will be at the Proposer's risk.
- H. No proposal will be accepted from a contract awarded to any person, firm or corporation that is in arrears or is in default to the City upon any contract, or that is a defaulter, as surety or otherwise, upon any obligation to the City or who had failed to faithfully perform any previous contact with the City.
- I. Unless otherwise specified, all formal proposals submitted shall be binding for ninety (90) calendar days following the bid opening date and may be extended at the agreement of both parties.

J. AUTHORITY

The City of Scranton Business Administrator, as the designee of the Mayor, has the sole responsibility to respond to inquiries regarding the Request of Qualifications.

K. COMPLIANCE WITH LAWS

The firm selected shall at all times observe and comply with all laws, ordinances, regulations and codes of the federal, state and City and other local government agencies, which may in any manner affect the performances of the contract.

L. CONTRACTOR COMPLIANCE

If applicable, each respondent is required to be in compliance with the City of Scranton local tax requirements.

M. CONTRACT TERMINATION

A contract may be canceled by the City by giving the respondent written notice of intent to cancel.

N. CONTROLLING LAW

This Request for Qualifications is governed by, and will be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to any conflict of law provisions.

O. PROPOSAL INSURANCE REQUIREMENTS

By submitting a Proposal, the proposer agrees that it now carries or will carry throughout the term of any Contract generated as a result of this Request for Qualifications, at a minimum, the following types and amounts of insurance:

Worker's Compensation	Statutory
Employer's Liability	\$500,000
Professional Liability	\$1,000,000 each occurrence \$1,000,000 aggregate
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	
Bodily Injury	\$1,000,000 each person \$1,000,000 each occurrence \$1,000,000 aggregate
Property Damage	\$500,000 occurrence
Personal Injury	\$500,000
Comprehensive Automobile Liability	
Bodily Injury	\$300,000 each person \$500,000 each occurrence
Property Damage	\$500,000 each occurrence

Certificates of Insurance shall be furnished to the City of Scranton upon request.

P. BIDDER'S ETHICS AND COLLUSION

Collusive Bidding: Any firm that submits more than one proposal in such a manner as to make it appear that one of the proposals submitted is competitive with that of a different proposer, or any two or more firms that agree to fix their respective proposals in such a manner as to be awarded the contract shall be disqualified from further consideration of award of this contract and shall be subject to any applicable penalties under the law.

Bribery: Any firm that attempts to influence a City official to award this contract to such proposer's firm by promising to provide or by providing to such City official any gratuity, entertainment, commission or any other gift, in exchange for a promise to award the contract to such firm shall be disqualified from further consideration of award of this contract and shall be subject to any applicable penalties under the law.

Conflict of Interest: Any firm that knows of any City officials having a material direct or indirect financial interest in such proposer's firm shall be required to submit a written statement, along with the Form of Proposal, detailing such interest. Failure to disclose a known such financial interest shall result in the firm's disqualification from further consideration of award of this contract.

Q. INDEMNIFICATION

1. This agreement shall be binding on the parties hereto, their heirs, successors and assigns.

R. OPEN RECORDS LAW/PUBLIC INFORMATION

Under the Pennsylvania Right-to-Know Law (the "Law"), 65 P. S. Section 67.101 et. seq., a record in the possession of the City is presumed to be a public record subject to disclosure to any legal resident of the United States, upon request, unless protected by a statutory exception.

Any contract dealing with the receipt or disbursement of funds by the City or the City's acquisition, use or disposal of services, supplies, materials, equipment or property is subject to disclosure under the Law. The following are not subject to disclosure under an exception in the Law:

1. A proposal pertaining to the City's procurement or disposal of supplies, services or construction prior to the award of a contract or prior to the opening and rejection of all bids; and
2. Financial information of a bidder or proposer requested in an invitation to bid or request for proposals to demonstrate the bidder's or proposer's economic capability.

S. TRANSFERS AND ASSIGNMENTS

1. Consultant shall not, without written consent of the City, assign, hypothecate or mortgage this agreement. Any attempted assignment, hypothecation or mortgage without the consent of the City shall render this agreement null and void.
2. Neither this agreement nor any interest therein shall be transferable in proceedings in attachment or execution against bidder or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against the respondent, or by any process of the law including proceedings under Chapter X and XI of the Bankruptcy Act.

REQUIRED INFORMATION AND SCOPE OF SERVICES

Proposals must be submitted in the format outlined below.

- A. PRIOR EXPERIENCE: Please document the firm's experience providing auditing services to other municipalities, specifically cities, counties, and school districts. Describe similar engagements and define the scope of engagement and description of recommendations. Experience shown should be work completed by your firm. Please refer to the audits completed by the firm including the contact information of the local government representatives.
- B. SCOPE OF WORK: The City of Scranton and Scranton School District are requesting proposals from independent certified public accounting firms to conduct an independent post audit of the Scranton Single Tax Office accounts, revenues, and expenditures for the fiscal years noted in the introductory page. The City and School District will share the cost of said audit.

The post audit shall include an examination and the expression of an opinion on the financial statements of the Scranton Single Tax Office. The prospective service providers will provide professional independent certified public accounting services to conduct an on-site audit of all funds of the Scranton Single Tax Office, under the Single Audit Act of 1984, for the fiscal years ending December 31, 2019 and December 31, 2020.

C. MANAGEMENT LETTER

The Audits for the proposed two (2) year period will result in an opinion with an accompanying financial management letter, relating to the financial operations of the Scranton Single Tax Office and complete financial statements reflecting the position of the funds.

- D. PERSONNEL: The proposed staff shall have received continuing professional education in governmental accounting during the past two years and shall be familiar with all Government Accounting Standards Board (GASB) policies. The firm shall have a positive peer review within the last three (3) years. Peer review confirmation may be required if requested by the Office of the City Controller, City of Scranton.
- E. WORK PLAN: Briefly describe your plan for accomplishing the audits/management letter. Include a proposed time schedule from the start to completion. The Office of the City Controller recognizes this time schedule and may present difficulties due to the scope of the audit responsibilities but also expects the firm to dedicate sufficient resources to the completion of the work on a timely basis.

An exit conference may be required at the discretion of the City of Scranton and Scranton School District.

- F. PUBLICATIONS: Services provided under the scope of this Audit engagement shall be performed in accordance with the most recent adaptations of the following publications, if applicable:

The City of Scranton Home Rule Charter and Administrative Code;

Government Accounting, Auditing and Financial Reporting (National Committee on Governmental Accounting);

Audits of the State and Local Governmental Units (American Institute of Certified Public Accountants (Latest Edition) ;

Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental, Financial Assistance;

Government Accounting Standards (Yellow Book);

Audits of State and Local Governments and Non-Profit Organizations (Single Audit Act – P.L. 104-156 – Circular Number A-133, as amended;

Commonwealth of Pennsylvania – Municipal Pension Laws, including Municipal Pension Plan Funding – Act 205 of 1985 as amended;

Grants and Agreements with State and Local Governments, Common Rule – 24 CFR Part 85, 2001 Edition (formerly OMB Circular Number A – 102, as amended through August 1997);

Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87, as amended.

G. OTHER RELEVANT DATA:

*The Audit for fiscal year 2016 was performed by Joseph Alu and Associates, Certified Public Accountants;

*The Scranton Single Tax Office accounting records are maintained, primarily, by the Collector of Taxes;

*All Real Estate Taxes and Act 511 authorized taxes are billed by the elected Collector of Taxes, with the exception of the City of Scranton and Scranton School District Earned Income Tax, which is billed and collected by Berkheimer Associates in conjunction with Act 32 of 2008;

*Audit work papers shall remain in the custody of the auditor, as appropriate. However, City and School District personnel, under supervision of the Tax Collector, and succeeding auditors, shall be given access to audit work papers and shall have a right to copy such work papers pertaining to the audits for the years delineated in the Request for Proposal for a period of three(3) years after the delivery of the Final Report for the corresponding calendar years;

*A Work Progress update will be submitted to the officials in Section 5 according to an agreed upon schedule.

H. SUBCONTRACTING: The auditor shall not subcontract any work associated with this contract to any other firm unless first approved by the City of Scranton and Scranton School District;

- I. RELATIONSHIP TO THE CITY OF SCRANTON and SCRANTON SCHOOL DISTRICT: The auditor shall provide the Office of the City Controller with a clear statement of the relationship of the firm and/or its principals with, or knowledge of, any officials or employees of the City of Scranton and Scranton School District and clearly state the nature of the same.
- J. AFFIDAVITS TO BE PROVIDED: Proposers shall provide attached affidavits as part of the Proposals. Affidavits shall be completed in entirety.
- K. INSURANCE: The auditor shall assume the defense of and indemnity and hold harmless the City of Scranton and Scranton School District, its officers, agents and employees from and against any and all claims, demands, actions, suits, and proceedings by others and against all liability, both negligent and non-negligent, arising directly out of the actions of the firm/proposer in their performance of this contract. Certificates of Insurance shall be furnished to the City of Scranton upon request.
- L. MISCELLANEOUS COSTS: All costs such as clerical, copying, travel, bonds, and incidental costs associated with the audit will be the responsibility of the firm awarded the contract.

The firm awarded the contract shall be required to furnish the Office of the City Controller with a minimum of twenty (20) copies of the Final Audit covering the Audit, Management Letter, and Single Audit.

CRITERIA FOR SELECTION:

1. EVALUATION: All proposals received from prospective firms will be reviewed and evaluated by the Office of the City Controller, Office of Business Administration, and Scranton School District. A recommendation will be made by the Office of the City Controller which will select the proposal which most closely meets the requirements of the Request for Proposal.

Attachment A. Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

- (1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.
- (2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
- (3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.
- (4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it, such a factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.
- (6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in

part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

- (7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.
- (8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment B. Certificate of Non-Segregated Facilities

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment C. Non-Collusion Affidavit of Prime Bidder

STATE OF _____

COUNTY OF _____

_____, being
first duly sworn, deposes and says that:

1. He is _____
(Owner, partner, officer, representative or agent)

of _____, the Bidder that has
submitted the bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

Non-Collusion Affidavit
Signature Page

Signed _____

(TITLE)

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____
_____, 20 _____

(TITLE)

MY COMMISSION EXPIRES _____
_____, 20 _____

D. Disclosures by Current Contractors

List of Municipal Officials

Mayor of Scranton
Scranton City Councilpersons
Scranton Controller
Scranton Tax Collector

1. Provide the names and titles of all individuals providing professional services to the City including advisors and subcontractors, if any. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton.

- List the names of any of the above individuals who are current or former officials or employees of the City of Scranton and their position;

- List the names of any of the above individuals who has been a registered federal or state lobbyist and the date of the most recent renewal/registration.

2. Since January 1, 2015, have any of the individuals identified in paragraph two above been employed by the City of Scranton. If yes, please identify the individual by his/her name and position with the City of Scranton and dates of employment.

3. Since January 1, 2015, has the Contractor employed paid compensation to a third party intermediary, agent, or lobbyist to directly or indirectly communicate with any individual on the list of municipal officials in connection with any transaction or investment involving the Contractor and the City of Scranton. This question does not apply to any officer or employee of the Contractor who is acting within the scope of the Contractor's standard professional duties on behalf of the Contractor including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services or assistance pursuant to its professional services contract with the City of Scranton.

4. Since January 1, 2015 has any agent, officer, director, or employee of the Contractor solicited a third party to make a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made. If yes, please identify the agent, officer, director, or employee who made the solicitation; the individual or individuals who were solicited, and the municipal officers, candidates, political party, or political committee for whom the solicitation was made.

5. Since January 1, 2015, has the contractor, officer, director, executive-level employee, or owner of at least five percent (5%) of the company made any contribution to a municipal official or candidate for municipal office in the City of Scranton. If yes, please identify the recipient, the amount, and the date of the contribution.

6. Does the Contractor have a direct financial, commercial, or business relationships with any individual on the List of Municipal Officials. With regard to every municipal official for which the answer is yes, identify that individual and provide a detailed written description of that relationship.

7. Since January 1, 2015, has the Contractor, officer, director, executive-level employee, or owner of at least five percent (5%) of the company conferred any gift of more than nominal value to any

individual on the list of Municipal Officials. A gift includes money, services, loans, travel, and entertainment, at value or discounted value. With regard to every municipal official for which the answer is yes, identify the recipient, the gift, and the date it was conferred.

8. Regarding the provision of professional services to the City of Scranton, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the Contractor and officials or employees of the City of Scranton. If yes, please provide a detailed written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

9. Please provide the name(s) and person(s) completing this form. One of the individuals identified by the Contractor in paragraph two must participate in completing this form and must sign the verification statement below.

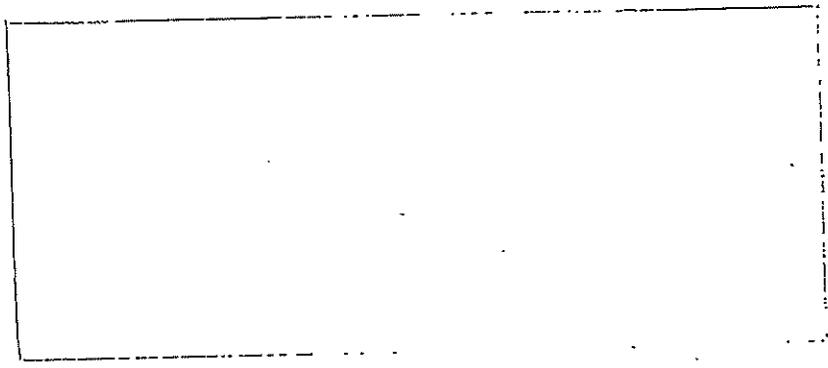
VERIFICATION

I, _____, hereby state that I am the owner of _____ and that I am authorized to make this verification.

I verify that the facts set forth herein for entities providing professional services to the City of Scranton are true and correct to the best of my knowledge, information, and belief. I understand that false statements herein are made subject to penalties of 18 P.A.C.S section 4904 relating to unsworn falsification to authorities.

Signed: _____

Date: _____



ROBERT ROSSI & CO.
CERTIFIED PUBLIC ACCOUNTANTS
OLYPHANT, PA 18447-2326

tabbles®
EXHIBIT
"B"

STATEMENT OF QUALIFICATIONS
AND COST PROPOSAL

ROBERT ROSSI & CO.
CERTIFIED PUBLIC ACCOUNTANTS

299 MAIN ST. - 2ND FLOOR
OLYPHANT, PA 18447-2326
TEL (570) 876-2300 - FAX (570) 876-5153
Website: www.rrco.net

Submitted to:

John Murray, City Controller
Office of the City Controller
City of Scranton
340 N. Washington Avenue
Scranton, PA 18503

Scranton Single Tax Office
Independent Post Audit
For the Fiscal Years
12-31-2019 & 12-31-2020

STATEMENT OF QUALIFICATIONS AND COST PROPOSAL

ROBERT ROSSI & CO.

TABLE OF CONTENTS

	<u>Page</u>
Transmittal Letter	1 - 2
Profile of Firm	3
Scope of Services	4 - 8
Engagement Letter	9 - 17
Experience and Qualifications	18 - 21
Experience and Qualifications - Contact Listing	22 - 23
Peer Review Letter	24
Professional Staff	25 - 28
Affirmative Action Certification	29 - 30
Certificate of Non-Segregated Facilities	31
Non-Collusion Affidavit of Prime Bidder	32

ROBERT ROSSI & CO.
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT L. ROSSI, C.P.A.
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ROBERT A. HANIS, C.P.A.

299 MAIN ST. 2ND FLR
OLYPHANT, PA 18447-2326
TEL. (570) 876-2300 - FAX (570) 876-5153
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SEAN J. GRASSI, C.P.A.
RALPH R. MORRIS, III, C.P.A.

November 6, 2020

Ms. John Murray, City Controller
Office of the City Controller
City of Scranton
City Hall Building
340 N. Washington Avenue
Scranton, PA 18503

Dear Mr. Murray:

We are grateful for the opportunity to submit our *Statement of Qualifications and Cost Proposal* for your consideration as your firm of choice for professional services in the areas of Independent Post audit for the Single Tax Office for the fiscal years ended December 31, 2019 and 2020. Robert Rossi & Co. is composed of a group of professionals with a vast array of professional experience and expertise in many areas. Our Firm serves large and complex clients in many industries such as:

- Local Government/School Districts
- Retail and Wholesale
- Newspaper and Radio Media
- Foundations and Other Not-for-Profit Organizations.
- Healthcare Organizations
- Manufacturing
- Commercial Banking
- Services
- Construction Companies
- Employee Benefit Plans

Our clients deserve the best quality of services at a reasonable cost. Our clients have taken advantage of our knowledge, expertise, and experience in many areas including the following:

- Audit and Assurance
- Tax Compliance and Planning
- Technology Consulting
- Fraud Prevention and Detection Services
- Management Consulting on Business Strategy and Controls
- Training and Professional Development

MEMBER OF AMERICAN & PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

The information presented in the following pages provides additional information about our capabilities and qualifications. We are committed to providing the highest level of quality professional service. Our Firm has a proven record of accomplishment in meeting and exceeding our client's expectations. We appreciate the opportunity to submit a proposal on this engagement.

Our fee for these services will be at our standard hourly rates except that we agree that our gross fee, including expenses, will not exceed \$ 11,500 for the year ended December 31, 2019 and \$ 11,500 for the year ended December 31, 2020.

We provide the following statements as required pursuant to the proposal.

- 1.) We Robert Rossi & Co the prospective bidder affirmatively state that all staff receive the required continuing professional education in governmental auditing during the past two (2) years and are familiar with all Governmental Accounting Standards Board (GASB) policies. Our most recent issued peer review letter is attached to this proposal.
- 2.) We Robert Rossi & Co the prospective bidder affirmatively state that services provided for this audit engagement shall be performed in accordance with the most recent adaptation of the publications listed in the proposal.
- 3.) We Robert Rossi & Co the prospective bidder affirmatively state that a work progress updated will be submitted according to an agreed upon schedule.
- 4.) We Robert Rossi & Co the prospective bidder affirmatively state that we will not subcontract any work associated with this contract to any other firm unless first approved by the City of Scranton and the Scranton School District.
- 5.) We Robert Rossi & Co the prospective bidder affirmatively state that the Firm and /or any of its Partners has no relationship with any officials or employees of the City of Scranton and Scranton School District.
- 6.) We Robert Rossi & Co the prospective bidder affirmatively state that we shall assume the defense of and indemnity and hold harmless the City of Scranton and the Scranton School District, its officers, agents, and employees from and against any and all claims, demands, actions, suits, and proceedings by others and against all liability, both negligent and non-negligent, arising directly out of the actions of our Firm in performance of this contract.
- 7.) We Robert Rossi & Co the prospective bidder affirmatively state all cost such as clerical, copying, travel, bonds, and incidental costs associated with the audit will be the responsibility of our Firm.
- 8.) We Robert Rossi & Co the prospective bidder affirmatively state that a minimum of twenty (20) copies of the final Audit and management letter will be provided.

Please contact us to discuss any questions regarding our Firm's engagement proposal.

Very truly yours,

ROBERT ROSSI & CO.

Enclosures

PROFILE OF THE FIRM

Robert Rossi & Co only has one location and is made up of eight (8) partners and eight (8) professional staff. All of Robert Rossi & Co partners experience and is included under Professional Staff on pages 25 to 28. Professional Experience and Qualifications is included on pages 18 to 21. Contact listing for experience and qualifications is included on pages 22 to 23.

All Partners of Robert Rossi & Co and members of the AICPA and PICPA. The Firm and all of its partners are properly licensed in the State of Pennsylvania.

None of Robert Rossi & Co, its partners, professional staff, or support staff have any conflicts of interest with the Single Tax Office, City of Scranton, or The Scranton School District, or its Board, Committees, or employees.

The Partners that would be assigned to this job include and would be authorized to make representations for the Firm:

Sean J. Grassi, C.P.A.	License # CA030728L
Robert A. Hanis, C.P.A.	License # CA021505L
Salvatore A. Nole, C.P.A.	License # CA021574L

Sean J. Grassi, C.P.A. or any other partner listed on Robert Rossi & Co., letterhead has the authority to sign the letter of transmittal and bind the firm.

In the past three (3) years there has been no clients that have not renewed their audit service agreements with Robert Rossi & Co.

Robert Rossi & Co will carry the minimum required insurance as stated in the proposal.

This proposal will remain binding for a period of ninety (90) days

SCOPE OF SERVICES

Our proposal as described in the attached engagement letter will include audit the Single Tax Office (STO) books and records on the modified cash basis of accounting. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of STO and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of STO's financial statements.

Our reports will be addressed to City Controller for the City of Scranton and Board of Directors of the Scranton School District.

We expected to begin fieldwork by December 1, of each year and issue a report no later than May 31 of the following year.

The engagement team to be assigned to the audit engagement consists of one partner, one senior accountant, staff account and/or a junior accountant.

A partner or a senior level accountant will always be on site with a staff and/or junior accountant during the completion of our engagement.

All work performed by the staff and/or junior accountant will be under the direct supervision of a senior accountant. All work performed by the senior accountant will be under the supervision by the partner assigned to the engagement.

All contact and correspondence with Single Tax Office personnel will be through the partner assigned to the engagement.

Robert Rossi & Co employs a risk based approach to its audit. We focus on the risk elements and related systems of internal control and put audit effort into priority areas where there are higher levels of risk and assign staffing levels based upon experience. The performance of the audit of the financial statements in three phases:

- a.) Planning Phase – Planning phase involves study and documentation of systems and procedures, and identification and review of pertinent Federal and State laws, regulations, and rules

SCOPE OF SERVICES (CONTINUED)

- b.) Testing Phase – Test the STO's compliance with policies and procedures, laws, regulations, and rules. Testing of STO's monthly financial statement closing procedures and reconciliation of STO workpapers to accounting records. Testing of compliance with substantive testing of transactions in as many areas as possible will provide for the most efficient use of the testing procedures.
- c.) Completion of the Audit Phase – Year end substantive audit procedures, final analytical procedures, review, and issuance of financial statements.

A. PLANNING PHASE

- a. Review applicable federal and state laws, rules and regulations, contracts, and agreements
- b. Document the internal control systems in effect
- c. Establish audit risk, programs, work plans, and timetables

B. TESTING PHASE

- a. We will be using audit sampling procedures designed to support the objectives of the audit and that all applicable accounting standards are followed
 - i. We will use either be using a technique to select individual items in the population to test the compliance with underlying control procedures
 - ii. Or using a sampling technique where by larger, material items are selected for testing and smaller transactions are randomly selected for testing.
- b. We will obtain and understanding of the STO's systems of internal control and the systems established to ensure compliance with laws and regulations affecting the expenditure of federal funds.
- c. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200 (Uniform Guidance), we will test charges to federal grants to determine that they (if applicable to the STO during any year of the audit):
 - i. Are necessary and reasonable for proper administration of the program
 - ii. Conform to any limitation or exclusion on the award
 - iii. Were given consistent accounting treatment and applied uniformly to both federally assisted and other recipient activities
 - iv. Were net of applicable credits
 - v. Did not include cost properly chargeable to other federally assisted programs
 - vi. Were properly recorded including correct amount, date, and supported by source documentation

SCOPE OF SERVICES (CONTINUED)

- vii. Were approved in advance, if subject to prior approval in accordance with "Cost Principles Applicable to Grants and Contracts with State and Local Governments"
 - viii. Were incurred in accordance with competitive purchasing procedures
 - ix. Were allocated equitably to benefitting activities, including non-federal activities
- d. In accordance with the Uniform Guidance Compliance Supplement we will test the STO's compliance with specific requirements outlined in that document for any determined major federal program.

C. COMPLETION OF THE AUDIT PHASE

- a. The detailed audit procedures to be performed in our audit of the STO will be determined and developed during the planning stages as outlined above. Our approach to significant risk and material financial statement accounts is expected to include, but not limited to the following:
- i. Confirmation, cut-off testing, testing of reconciling items for cash, cash equivalents, and investment accounts
 - ii. Testing of key accruals and deferrals (as applicable)
 - iii. Confirmation, cut-off testing, testing of reconciling items for accounts receivable and government capital grants receivable (as applicable)
 - iv. Confirmation, cut-off testing, testing of reconciling items for accounts payable (as applicable)
 - v. Reviewing revenue / expense cutoff procedures
 - vi. Confirming debt balances, terms, etc. (as applicable)
 - vii. Performing search for contingencies for either reporting or disclosure in the financial statements (as applicable)
 - viii. Reviewing Board of Director and any Council minutes
 - ix. Obtaining required attorney and management representation letters
 - x. Reviewing year-end adjustments and reclassifications
 - xi. Performing search for unusual transactions
 - xii. Reviewing and analyzing financial statements for consistency, proper classification, and reasonableness
 - xiii. Formulation of opinion on financial statements
- D. SINGLE AUDIT AND TITLE 2 U.S. CFR PART 200 (if applicable to the STO during any year of the audit)

The Single Audit Act (the Act) enacted in 1984 and amended in 1996 substantially revised the government's approach to auditing federal financial assistance programs (Federal programs). The audits requirements of the Act are administered and monitored on behalf of the federal government by cognizant agency representatives who are designated or agree to represent the collective interests of the various Federal agencies. The Act and Title 2

SCOPE OF SERVICES (CONTINUED)

- a. U.S. CFR Part 200 require each state and local government that receives over \$750,000 of federal financial assistance to have a single audit performed each year. The objectives of the single audit are to:
 - i. Improve the financial management of state and local governments with respect to federal financial assistance programs through improved auditing.
 - ii. Establish uniform requirements for audits of federal financial assistance provided to state and local government.
 - iii. Promote the efficient and effective use of audit resources.
 - iv. Ensure that federal departments and agencies, to the maximum extent practicable, rely on and use audit work performed pursuant to the requirements of the Act.
- b. Under the Act, the following reports will be issued and Uniform Guidance, we will issue the reports previously discussed. Those reports will be addressed to the Controller of the City of Scranton and the Board of Directors of the Scranton School District and the cognizant agency, the Department of Transportation.
- c. U.S. General Accounting Office (GAO) Standards require the audit of to identify and classify internal accounting control categories at the STO, and report on controls reviewed and not reviewed. We have identified and classified the STO's control categories along the same lines as the functional areas of the audit.
 - i. Operating Revenues and Expenses
 - ii. Other Income
 - iii. Other Expenses
 - iv. Capital Contributions
 - v. All of the above categories will be evaluated
- d. In addition, the auditor is required to identify and evaluate the controls used in administering Federal programs. Our study will include all of the applicable control categories listed above, where present. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation will include control procedures that should prevent or detect such errors or irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.
- e. With respect to the internal control systems use solely in administering the non-major federal programs of the STO, our study and evaluation will consist of a preliminary review of the systems to obtain an understanding of the control environment and the flow of transaction through the accounting system.

SCOPE OF SERVICES (CONTINUED)

- f. The primary basis for development of our tests of compliance will be the Uniform Guidance Compliance Supplement. For each of the STO's federal programs, we will design a representative test of compliance based upon the criteria established in the Uniform Guidance Compliance Supplement. This will include compliance criteria for programs as included herein.
- g. If transactions from non-major federal programs are selected for testing in any part of the tests and reviews performed in connection with the audit of the basic financial statements or the study and evaluation of internal controls, such transactions will also be tests for compliance with federal laws and regulations that apply to such transactions.

E. ENGAGEMENT TIME LINE

- a. Expected Start Date December 1, of each year
- b. Completion of Field Work April 30, of each year depending upon cooperation and timeliness of management and personnel cooperation with information, documentation, and explanations
- c. Draft of Audit Report and Exit Conference May 15, of each year
- d. Issuance of Report by May 31, of each year with twenty (20) bound copies

ROBERT ROSSI & CO.
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT L. ROSSI, C.P.A.
ROBERT T. ARVONIO, C.P.A.
PETER D. ARVONIO, JR., C.P.A.
ROBERT A. HANIS, C.P.A.

299 MAIN ST. 2ND FLR
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JOSEPH E. ROSSI, C.P.A.
SEAN J. GRASSI, C.P.A.
RALPH R. MORRIS, III, C.P.A.

November 6, 2020

To Ms. John Murray, City Controller and To the Honorable Members of Scranton School Board Scranton, Pennsylvania
City Hall Building
340 N. Washington Avenue
Scranton, PA 18503

Dear Mr. Murray and Honorable Board Members:

We are pleased to confirm our understanding of the services we are to provide Scranton Single Tax Office (STO) for the Years ended December 31, 2019 and 2020. We will audit the financial statements of the STO which include the Statement of Fiduciary Net Position - Modified Cash Basis, Statement of Changes in Fiduciary Net Position - Modified Cash Basis, and Statements of Cash Receipts, Cash Disbursements, and Changes in Cash Balances, including the related notes to the financial statements, which collectively comprise the basic financial statements of STO as of and for the years ended December 31, 2019 and 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement STO's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to STO's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

MEMBER OF AMERICAN & PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the Modified Cash Basis of U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of STO and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of STO's financial statements. Our report will be addressed to John Murray, City Controller and the Scranton School Districts Board. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that STO is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

Audit Procedures—General (Continued)

misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the STO or to acts by management or employees acting on behalf of the STO. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of direct confirmation of cash by correspondence with selected financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the STO and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Audit Procedures—Internal Control (Continued)

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of STO's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of STO in conformity with the Modified Cash Basis of U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with the Modified Cash basis of U.S.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing (1) information relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the STO from whom we determine it necessary to obtain audit evidence.

Management Responsibilities (Continued)

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the STO involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the STO received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the STO complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with Modified Cash Basis of U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the Modified Cash Basis of Accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with Modified Cash Basis of Accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management Responsibilities (Continued)

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, or other confirmations we request and will locate any documents selected by us for testing.

Your business office will also perform all bookkeeping function including but not limited to:

1. Preparation of all books of original entry.
2. Posting books of original entry to a general ledger.
3. Preparation of detailed trial balances.
4. Reconcile checkbook balance to bank statements and to general ledger for each bank account.
5. Preparation of management discussion and analysis.

Engagement Administration, Fees, and Other (Continued)

We will provide copies of our reports to the John Murray, City Controller and Scranton School District Board of Directors; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Robert Rossi & Co and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Robert Rossi & Co personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of three (3) years after the report release date.

Sean J. Grassi, C.P.A. is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates except that we agree that our gross fee, including expenses, will not exceed \$ 11,500 for the year ended December 31, 2019 and \$ 11,500 for the year ended December 31, 2020. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

To ensure that Robert Rossi & Co's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Engagement Administration, Fees, and Other (Continued)

Fees for our service will be billed at our standard hourly rates for all of the services outlined above.

Engagement Partner/or Another Partner	\$ 150.00 per hour
Senior Accountant	\$ 75.00 per hour
Staff Accountant	\$ 50.00 per hour
Junior Staff Accountant	\$ 40.00 per hour

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Circumstances may arise during the performance of the engaged services in which it is necessary for us to withdraw from the engagement. These circumstances include, but are not limited to, management's knowing misrepresentation(s) to our inquiries; legal matters including the non-payment for our services to which our attorney has advised it necessary for us to withdraw; the occurrence of any disagreement between our firm and management relating to any accounting, tax or management advisory service we have been engaged to perform; and/or to comply with any professional standard of the AICPA, GASB, or other regulatory body in which we practice.

If, for any reason, we withdraw or are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement.

We appreciate the opportunity to be of service to STO and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copies and return it to us. Signed copies will be immediately returned to you.

Very truly yours,

ROBERT ROSSI & CO.

By: _____
Sean J. Grassi, C.P.A.
For the Partnership

RESPONSE:

This letter correctly sets forth the understanding of John Murray, City Controller.

Signature: _____

Title: _____

Date: _____

EXPERIENCE AND QUALIFICATIONS

Robert Rossi & Co. has a wide variety of private and public sector clients of various size and complexity. We devote to each of these clients the same careful attention to our high standards of performance on each engagement. Following are a selected list of our clients and services in the Government and Public Sector.

Audits conducted in accordance with generally accepted auditing standards, government auditing standards issued by the Comptroller General of the United States, Single Audit Act Amendments of 1996, and Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, or Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*.

City of Scranton, PA (Lead Auditors)	2002 - 2013
City of Scranton, Office of Economic and Community Development	1989; 2002-2013
Career Technology Center of Lackawanna County	1985 - Present
Valley View School District	1985 - Present
Mid Valley School District	1994 - 2000 & 2007 - 2009
Lakeland School District	2006 - 2009
The Sewer Authority of the City of Scranton	2014 - 2017
Wright Center for Graduate Medical Education	2007 - 2011
Wright Center Medical Group, P.C.	2007 - 2011

Non-profit audits conducted in accordance with generally accepted auditing standards.

St. Francis of Assisi Kitchen	1985-Present
Jewish Home of Eastern Pennsylvania	1985-Present
Elan Gardens, Inc.	1995-Present
Northeastern Pennsylvania Council, Inc.	2008-Present
Boy Scouts of America	2015-Present
AllOne Charities	

All pension and profit sharing audits conducted in accordance with auditing standards generally accepted in the United States of America and the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Issuance of management letter detailing any weakness in internal control and recommendations for improvements.

403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
First Northern Bank and Trust Co 401(k) Profit Sharing Retirement Plan	2005 - Current
Scranton Times Employee Pension Trust Fund	1992 - Current
Times-Shamrock Communications 401(k) Plan	2002 - Current

EXPERIENCE AND QUALIFICATIONS (CONTINUED)

Pottsville Republican, Inc. Pension Plan	2008 - Current
Pottsville Republican Flexible Compensation Plan	2005 - 2007
C.E.G.W., Inc. Flexible Compensation Plan	2005 - 2007
Towanda Printing Company Flexible Compensation Plan	2005 - 2007
Bracey's Supermarket, Inc. Cash or Deferred Profit-Sharing Plan	2011 - Current
Five Star Equipment, Inc. Flexible Compensation Plan	2010 - Current
Progressive Vision Institute 401(k) Retirement Plan	2014 - Current
Trans-Med Ambulance, Inc. 401(k) Plan	2015 - Current
Senior Health Care Solutions, LLC 401(k) Plan	2014 - Current
Gage Enterprises, Inc. 401(k) Profit Sharing Plan	2018 - Current
Scranton Lackawanna Human Development Agency, Inc. 403(B)	2019 - Current

City of Scranton - Audit of financial statements of the City including the Office of Economic and Community Development (OECD) for the years ended December 31, 2002 through December 31, 2013 in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements.

Career Technology Center of Lackawanna County - Audit of financial statements of the Career Technology Center of Lackawanna County for the years ended June 30, 1985 through current in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133, and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements.

Valley View School District - Audit of financial statements of the Valley View School District for the years ended June 30, 1985 through current in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133, and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements. Preparation of Annual Financial Report (AFR) for submission to the Pennsylvania Department of Education.

EXPERIENCE AND QUALIFICATIONS (CONTINUED)

Mid Valley School District - Audit of financial statements of the Mid Valley School District for the years ended June 30, 1994 through June 30, 2000, and for the years ended June 30, 2007 through June 30, 2009 in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements. Preparation of Annual Financial Report (AFR) for submission to the Pennsylvania Department of Education.

Lakeland School District - Audit of financial statements of the Lakeland School District for the years ended June 30, 2006 through June 30, 2009 in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements.

The Sewer Authority of the City of Scranton - Audit of financial statements of the Sewer Authority for the City of Scranton for the years ended December 31, 2014 through December 31, 2017 in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133. Issuance of a management letter detailing any weakness in internal control and recommendation for improvements.

The Wright Center for Graduate Medical Education - Audit of the financial statements of the Wright Center for Graduate Medical Education for the years ended June 30, 2007 through 2011 in accordance with U.S. generally accepted auditing standards, and the standards for financial statement audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Issuance of a management letter detailing any weakness in internal control and recommendations for improvement.

The Wright Center Medical Group, P.C. - Audit of the financial statements of the Wright Center Medical Group, P.C. for the years ended June 30, 2007 through 2011 in accordance with U.S. generally accepted auditing standards, and the standards for financial statement audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Issuance of a management letter detailing any weakness in internal control and recommendations for improvement.

EXPERIENCE AND QUALIFICATIONS (CONTINUED)

Management Advisory and Financial/Operational Systems Reviews

Borough of Dunmore Tax Collector's Office	1999-2010
Scranton Sewer Authority Systems Review	2004-2005
The Commonwealth Medical College – Procurement Department System Review	2010-2011

In addition to the above entities, we have conducted Financial/Operational System Reviews for many privately-owned businesses including Auto Parts Distributors, Automobile Dealerships, Commercial Banks, Colleges and Universities, Department Stores, Government Contractors, Hotels, Petroleum Distributors, Manufacturers, and Others.

In December 2004 Robert Rossi & Co. was engaged by the Scranton Sewer Authority (SSA) to provide consulting and support services relative to review, analysis, and recommendations regarding the financial, accounting, and operational systems. Our extensive report issued January 28, 2005 included recommendations covering the following areas:

- A. Billing and Collections
- B. Payroll Time Record Processing - Plant Operations
- C. Payroll Processing
- D. Purchasing - Plant Operations
- E. Purchasing - Business Officer
- F. Payment of Bills and Bank Account Maintenance
- G. Vehicle Maintenance
- H. Plant Equipment Maintenance
- I. Financial Accounting and Reporting
- J. Personnel Management
- K. Records Retention

The engagement provides our firm with a significant advantage of understanding the accounting systems and procedures of the Scranton Sewer Authority that will enable us to more efficiently complete the engagement within the required timeline and offers unique insights on areas of accounting and operational controls that other firms could not provide.

EXPERIENCE AND QUALIFICATIONS
CONTACT LISTING

Career Technology Center of
Lackawanna County
3201 Rockwell Avenue
Scranton, PA 18508
Contact: Mr. James McHale, CFO (570) 346-8471

Valley View School District
1 Columbus Drive
Archbald, PA 18508
Contact: Mr. Corey Castellani, Business Manager (570) 876-5080

Jewish Home of Eastern Pennsylvania
1101 Vine Street
Scranton, PA 18510
Contact: Ms. Mae Rose Applegate, COO (570) 344-6177

Elan Gardens, Inc.
465 Venard Road
Clarks Summit, PA 18411
Contact: Ms. Mia Jacobs, Executive Director (570) 585-4400

First Northern Bank & Trust Co
Fourth Street and Lafayette Avenue
Palmerton, PA 18071
Contact: Mr. Salvatore Checho, Chairman (610) 824-2301

The Scranton Times and Affiliated Companies
149 Penn Avenue
Scranton, PA 18503
Contact: Mr. James M. Lewandowski, CEO (570) 348-9152

Bracey's Supermarket, Inc.
921 Drinker Turnpike
Covington Township, PA 18444
Contact: Mr. William G. Bracey, CEO (570) 842-7461

Five Star Equipment, Inc.
1300 Dunham Drive
Dunmore, PA 18512
Contact: Mr. William Farrell, CEO (570) 346-1701

EXPERIENCE AND QUALIFICATIONS
CONTACT LISTING (CONTINUED)

Progressive Vision Institute
201 E. Laurel Blvd.
Pottsville, PA 17901
Contact: Dr. Solomon C. Luo (570) 628-4444

Gage Enterprises, Inc.
101 N. 7th Avenue
West Reading, PA 19611
Contact: Ms. Kristi Gage (610) 376-1771

AllOne Charities
83 E. Union Street
Wilkes-Barre, PA 18701
Contact: Mr. John Cosgrove, Executive Director (570) 208-1200

Northeast Pennsylvania Council, Inc.
Boy Scouts of America
72 Montage Mountain Road
Moosic, PA 18507
Contact: Mr. Mark J. Barbarnitz, Scout Executive (570) 207-1227

Trans-Med Ambulance, Inc.
14 Marion Street
Luzerne, PA 18705
Contact: Mr. Homer Berlew (570) 283-2444

Telling & Associates, CPA PC

Certified Public Accountants
5 Park Street — Middlebury, VT 05753

Report on the Firm's System of Quality Control

September 15, 2017

To the Partners of Robert Rossi & Co. and the PICPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Robert Rossi & Co. (the firm) in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Governmental Auditing Standards*, including compliance under the Single Audit Act; audits of employee benefit plans, and audits performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Robert Rossi & Co. in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Robert Rossi & Co. has received a peer review rating of *pass*.

Telling & Associates, CPA P.C.

Telling & Associates CPA P.C.

PROFESSIONAL STAFF

Robert Rossi & Co. was formed in 1978 and currently consists of eight (8) partners, eight (8) staff members, and two (2) clerical employees. The firm and each partner are members of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accountants.

Robert L. Rossi, CPA graduated from the University of Scranton in 1960 and then was employed by a Big Eight CPA Firm based in Philadelphia, Pennsylvania for six years.

Upon returning to Scranton, Pennsylvania in 1965, was employed by a local CPA firm and subsequently became a partner in the firm. While with such firm, Mr. Rossi's areas of responsibility were concentrated in finance, taxation, management advisory service, and assisting clients in the valuation of businesses for either purchase or sale.

In 1974, Mr. Rossi established an accounting practice as a sole practitioner and in 1978, the partnership of Robert Rossi & Co. was formed.

Peter D. Arvonio, Jr., CPA joined the firm in 1982 and became a partner of the firm in July 1989. Mr. Arvonio was the partner in charge, or the concurring engagement quality control partner, for the following local government and school district audits and consulting engagements:

403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
Scranton Times Employee Pension Trust Fund	1992 - Current
Times-Shamrock Communications 401(k) Plan	2002 - Current
Pottsville Republican, Inc. Pension Plan	2008 - Current
Pottsville Republican Flexible Compensation Plan	2005 - 2007
C.E.G.W., Inc. Flexible Compensation Plan	2005 - 2007
Towanda Printing Company Flexible Compensation Plan	2005 - 2007
Five Star Equipment, Inc. Flexible Compensation Plan	2010 - Current
City of Scranton, PA	2002 - 2013
City of Scranton - OECD	2002 - 2013
Career Technology Center of Lackawanna County	1989 - Present
Wright Center for Graduate Medical Education	2007 - 2011
Wright Center Medical Group, P.C.	2007 - 2011

Management Advisory and Financial/Operational Systems Reviews:

Borough of Dunmore Tax Collector's Office	1999 - 2010
Scranton Sewer Authority Systems Review	2004 - 2005
The Commonwealth Medical College - Procurement Department System Review	2010 - 2011

PROFESSIONAL STAFF (CONTINUED)

Robert A. Hanis, CPA joined the firm in 1982 and became a partner in 1989. Mr. Hanis was the partner in charge, or the concurring engagement quality control partner, in performing the following local government and school district audits:

Senior Health Care Solutions, LLC 401(k) Plan	2014 - Current
Bracey's Supermarket, Inc. Cash or Deferred Profit-Sharing Plan	2011 - Current
City of Scranton, PA	2002 - 2013
Valley View School District	1985 - Present
Mid Valley School District	1994 - 2000
Lakeland School District	2006 - 2009

Salvatore A. Nole, Jr., CPA joined the firm in 1982 and became a partner in 1989. Mr. Nole has experience in audit engagement performance, and/or the concurring engagement quality control partner, for the following local government and school district audits:

403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
Scranton Times Employee Pension Trust Fund	1992 - Current
Times-Shamrock Communications 401(k) Plan	2002 - Current
Pottsville Republican, Inc. Pension Plan	2008 - Current
Pottsville Republican Flexible Compensation Plan	2005 - 2007
C.E.G.W., Inc. Flexible Compensation Plan	2005 - 2007
Towanda Printing Company Flexible Compensation Plan	2005 - 2007
Progressive Vision Institute 401(k) Retirement Plan	2014 - Current
Senior Health Care Solutions, LLC 401(k) Plan	2014 - Current
Wright Center for Graduate Medical Education	2008 - 2011
Wright Center Medical Group, P.C.	2008 - 2011
The Sewer Authority of The City of Scranton	2014 - 2017

Management Advisory and Financial/Operational System Reviews:

The Commonwealth Medical College – Procurement Department System Review	2010-2011
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Joseph E. Rossi, CPA joined the firm in 1988 and became a partner in 1992. Mr. Rossi has experience in audit engagement performance, and/or the concurring engagement quality control partner, for the following audits:

403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
Wright Center for Graduate Medical Education	2007 - 2011
Wright Center Medical Group, P.C.	2007 - 2011

PROFESSIONAL STAFF (CONTINUED)

Sean J. Grassi, CPA joined the firm in 1989 and became a partner in 1993. Mr. Grassi has experience in audit engagement performance, and/or the concurring engagement quality control partner, for the following local government and school district audits:

403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
First Northern Bank and Trust Co 401(k) Profit Sharing Retirement Plan	2005 - Current
Trans-Med Ambulance, Inc. 401(k) Plan	2015 - Current
Gage Enterprises, Inc. 401(k) Profit Sharing Plan	2018 - Current
City of Scranton, PA	2002 - 2013
City of Scranton, PA – OECD	2002 - 2013
Career Technology Center of Lackawanna County	1989 - Present
Mid Valley School District	2007 - 2009

Ralph R. Morris, III, CPA joined the firm in 1994 and became a partner in 2004. Mr. Morris has experience in audit engagement performance, and/or the concurring engagement quality control partner, for the following local government and school district audits:

Scranton Lackawanna Human Development Agency, Inc. 403(b)	2019 - Current
403(b) Thrift Plan for Employees of the Jewish Home of Eastern Pennsylvania	2008 - Current
First Northern Bank and Trust Co 401(k) Profit Sharing Retirement Plan	2005 - Current
Scranton Times Employee Pension Trust Fund	1992 - Current
Times-Shamrock Communications 401(k) Plan	2002 - Current
Pottsville Republican, Inc. Pension Plan	2008 - Current
Pottsville Republican Flexible Compensation Plan	2005 - 2007
C.E.G.W., Inc. Flexible Compensation Plan	2005 - 2007
Towanda Printing Company Flexible Compensation Plan	2005 - 2007
Bracey's Supermarket, Inc. Cash or Deferred Profit-Sharing Plan	2011 - Current
Five Star Equipment, Inc. Flexible Compensation Plan	2010 - Current
Progressive Vision Institute 401(k) Retirement Plan	2014 - Current
Trans-Med Ambulance, Inc. 401(k) Plan	2015 - Current
Senior Health Care Solutions, LLC 401(k) Plan	2014 - Current
Gage Enterprises, Inc. 401(k) Profit Sharing Plan	2018 - Current
City of Scranton, PA	2004 - 2005
Valley View School District	2000 - 2001
Mid Valley School District	1998 - 2000

All of the above members of the firm and any junior accountants assigned to the engagement have received the required continuing professional education in governmental accounting during the past two (2) years.

PROFESSIONAL STAFF (CONTINUED)

The engagement team to be assigned to the audit engagement consists of one partner, one senior accountant, staff account and/or a junior accountant.

A partner or a senior level accountant will always be on site with a staff and/or junior accountant during the completion of our engagement.

All work performed by the staff and/or junior accountant will be under the direct supervision of a senior accountant. All work performed by the senior accountant will be under the supervision by the partner assigned to the engagement.

All contact and correspondence with Single Tax Office Personnel will be through the partner assigned to the engagement.

AFFIRMATIVE ACTION CERTIFICATE

During the term of this contract, Bidder agrees as follows:

(1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex, or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agent; applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.

(2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will received consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.

(3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

(4) it shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it; such a factor shall be considered in mitigation in determining appropriate sanctions.

(5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.

(6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

Affirmative Action Certificate (Continued)

(7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.

(8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

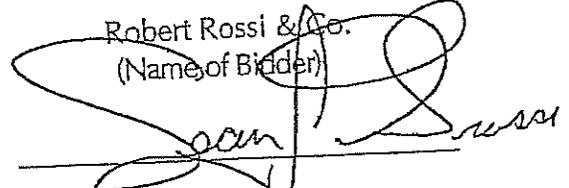
(9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.

(10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

Date: November 6, 2020

Robert Rossi & Co.
(Name of Bidder)

By: _____


Sean J. Grassi, C.P.A. for the Partnership
Title: Partner

CERTIFICATE OF NON-SEGREGATED FACILITIES

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

Date: November 6, 2020

Robert Rossi & Co.
(Name of Bidder)

By. _____

Sean J. Grassi, C.P.A. for the Partnership
Title: Partner

NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF: Pennsylvania

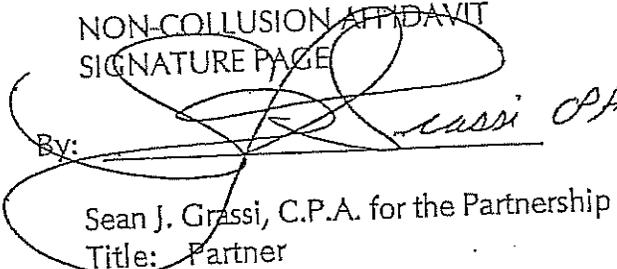
COUNTY OF: Lackawanna

Sean J. Grassi, C.P.A. being first duly sworn, deposes and says that

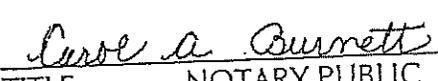
1. He is a Partner of Robert Rossi & Co., the Bidder that has submitted the bid;
(Owner, partner, officer, representative or agent)
2. He is fully informed respecting the preparation and contents of the attached Bid and all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the CITY OF SCRANTON (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

NON-COLLUSION AFFIDAVIT
SIGNATURE PAGE

By:


Sean J. Grassi, C.P.A. for the Partnership
Title: Partner

THIS RECORD WAS ACKNOWLEDGED BEFORE ME
ON NOVEMBER 5, 2020 BY


TITLE: NOTARY PUBLIC
MY COMMISSION EXPIRES March 30, 2023

Commonwealth of Pennsylvania - Notary Seal Carol A. Burnett, Notary Public Lackawanna County My commission expires March 30, 2023 Commission number 1020601 Member, Pennsylvania Association of Notaries

D. Disclosures by Current Contractors

List of Municipal Officials

Mayor of Scranton
Scranton City Councilpersons
Scranton Controller
Scranton Tax Collector

1. Provide the names and titles of all individuals providing professional services to the City including advisors and subcontractors, if any. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton.

- a.) Sean J. Grassi, C.P.A. Engagement Partner
- b.) Robert A. Hanis, C.P.A. Partner
- c.) Salvatore A. Nole, C.P.A. Partner

• List the names of any of the above individuals who are current or former officials or employees of the City of Scranton and their position;

- a.) Robert Rossi & Co Firm – NONE

• List the names of any of the above individuals who has been a registered federal or state lobbyist and the date of the most recent renewal/registration.

- a.) Robert Rossi & Co Firm - NONE

2. Since January 1, 2015, have any of the individuals identified in paragraph two above been employed by the City of Scranton. If yes, please identify the individual by his/her name and position with the City of Scranton and dates of employment.

- a.) Robert Rossi & Co Firm – NO

3. Since January 1, 2015, has the Contractor employed paid compensation to a third party intermediary, agent, or lobbyist to directly or indirectly communicate with any individual on the list of municipal officials in connection with any transaction or investment involving the Contractor and the City of Scranton. This question does not apply to any officer or employee of the Contractor who is acting within the scope of the Contractor's standard professional duties on behalf of the Contractor including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services or assistance pursuant to its professional services contract with the City of Scranton.

- a.) Robert Rossi & Co Firm – NONE

4. Since January 1, 2015 has any agent, officer, director, or employee of the Contractor solicited a third party to make a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made. If yes, please identify the agent, officer, director, or employee who made the solicitation; the individual or individuals who were solicited, and the municipal officers, candidates, political party, or political committee for whom the solicitation was made.

a.) Robert Rossi & Co Firm – NO

5. Since January 1, 2015, has the contractor, officer, director, executive-level employee, or owner of at least five percent (5%) of the company made any contribution to a municipal official or candidate for municipal office in the City of Scranton. If yes, please identify the recipient, the amount, and the date of the contribution.

a.) Robert Rossi & Co Firm – NONE

6. Does the Contractor have a direct financial, commercial, or business relationships with any individual on the List of Municipal Officials. With regard to every municipal official for which the answer is yes, identify that individual and provide a detailed written description of that relationship.

a.) Robert Rossi & Co Firm – NO

7. Since January 1, 2015, has the Contractor, officer, director, executive-level employee, or owner of at least five percent (5%) of the company conferred any gift of more than nominal value to any individual on the list of Municipal Officials. A gift includes money, services, loans, travel, and entertainment, at value or discounted value. With regard to every municipal official for which the answer is yes, identify the recipient, the gift, and the date it was conferred.

a.) Robert Rossi & Co Firm – NO

8. Regarding the provision of professional services to the City of Scranton, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the Contractor and officials or employees of the City of Scranton. If yes, please provide a detailed written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

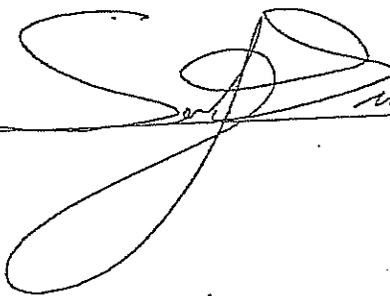
a.) Robert Rossi & Co Firm – NONE

9. Please provide the name(s) and person(s) completing this form. One of the individuals identified by the Contractor in paragraph two must participate in completing this form and must sign the verification statement below.

VERIFICATION

I Sean J. Grassi, C.P.A. hereby state that I am a Partner of Robert Rossi & Co and that I am authorized to make this verification.

I verify that the facts set forth herein for entities providing professional services to the City of Scranton are true and correct to the best of my knowledge, information, and belief. I understand that false statements herein are made subject to penalties of 18 P.A.C.S section 4904 relating to unsworn falsification to authorities.

Signed:  Grassi CPA Date: 1-20-2021